

1. In Addendum 2 to the final RFP, the answer to question Nr 19 states: "JPL requires that any travel-related administrative expenses be included with the proposed indirect rate." Our DCAA approved accounting system for calculating the percentage of General and Administrative (G&A) expenses uses Travel, Other Direct Cost (ODC), Overhead and Direct Labor costs as its base. Thus, G&A is applied to all travel costs in our billings. This accounting practice is very common in all government Federal Acquisition Regulation (FAR) compliant accounting systems. Additionally, it is believed current incumbent TSEP subcontractors add G&A to their travel cost and included it in their billings. Moreover, the RFP does not provide any information or estimate of travel cost associated with TSEP, therefore there is no way for a proposer to estimate the G&A cost and include it in the proposed indirect rate. With these facts in mind, please clarify your answer to question Nr 19. If G&A must be included in indirect rate, then please provide how much travel cost will be as a percentage of direct labor for the TSEP contract.

Answer: There are two areas in the RFP that pertain. First of all in Exhibit 4 "CONTRACTOR PERSONNEL TRAVEL, SUBSISTENCE AND PER DIEM" section 1.6 states - "All reimbursements to the Contractor are exclusive of any indirect cost or profit." So this is where we make it clear that there is to be no mark-up or profit on travel cost. Secondly, in the Specimen Contract, Article 1, Section 1.1.2 states that the Personnel Administrator is responsible for "coordinating travel arrangements, and providing all travel documentation required by JPL". So this is where we pay for the administration of travel. It should not be in the mark-up. The contractor's argument that their DCAA approved G&A would apply is not valid. The standard G&A rate would presumably include many expenses for which JPL receives no benefit since the employees are working at a JPL facility. Further, the indirect mark-up in the contract is not the standard DCAA approved overhead rate but is uniquely established to cover all the contractor's expenses that support the JPL effort. If any separate G&A rate was paid, it would be considered "double-dipping" and paying for some costs twice and for some for which we receive no benefit at all. No special burden for Travel expenses will be allowed.

2. Normally fringe benefits include payroll taxes. Does the calculation for Column C, Benefit Expense &/or Cash ILO Benefit, in Attachment A-18 include the employer's share of payroll taxes (FICA, FUTA, FUI, SUI. etc.) paid on behalf of the employee?

Answer: NO, Column C should not include the employers share of payroll taxes. As noted in Attachment A, Page 1 of 9, B1(c), "Column C is a subset of column A and is NOT to be considered an additional indirect expense amount."

3. During the transition - how will we be able to validate Job Titles, Salary and Length of Service for employees transitioning over?

Answer: When the time comes for transition, all important Personnel data will be given to each of the new TSEP subcontractors so you will be able to make informed decisions and be competitive in the hiring process. This process will ensure fairness and competition for all.

4. We have been approved for a \$2M line of credit to be used exclusively for JPL-TSEP by our bank, and have a commitment letter from an executive officer stating such. We plan to finalize the line of credit and incur the associated costs upon contract signature. Will this meet the criteria for the unencumbered line of credit requirement and be sufficient evidence of our financial viability? Would JPL prefer that we have the cash on hand vs. a line of credit? Will either carry greater weight in your vendor selection decision?

Answer: As stated many times before, a line of credit will be sufficient. JPL will make no predetermination until such time that our cost analyst has had an opportunity to review the documentation provided with the proposal due October 8. This is a pass or fail and no extra credit is given for cash on hand.